financing plan for various configurations of a high-speed rail system. Resources required for this phase have totaled approximately $5 million.[1]

9.3.2 Preliminary Engineering and Environmental Clearance

In civil engineering parlance, the preliminary engineering phase typically consists of design to the "35 percent level". This means analyses detailed enough to allow evaluation of environmental impacts and satisfy requirements of the environmental clearance process. While corridor level route alignments will be fixed at this stage, different sub-alignments will be analyzed in many areas to determine a preferred alternative. In many cases, preliminary engineering could yield new information that would influence or dictate the selection of an alternative for final design. Thus, there is a need to retain a degree of flexibility throughout the preliminary engineering process.

Preliminary engineering work will include geotechnical investigations, land surveying and mapping, engineering, architecture, landscape architecture, traffic engineering, preliminary operations and maintenance plans, and preparation of preliminary plans and analyses in all necessary technical disciplines to support the draft environmental document. The environmental review will complete the studies and analyses necessary for federal and state-required environmental documents, resulting in an environmentally-cleared project. This phase will last from two to three years and require about 3 percent of the final construction cost to complete, or several hundred million dollars. Order-of-magnitude estimates for these costs total about $210 million for the Los Angeles-San Francisco segment or $330 million for the entire recommended system.

9.3.3 Final Design

Final design involves preparation of construction and procurement documents for all facilities and systems. By the beginning of this stage, a single route alignment and system configuration will have been selected for construction, and will have been environmentally cleared.

This phase will include geotechnical investigations, land surveying and mapping, engineering, architecture, landscape architecture, traffic engineering, right-of-way engineering, and preparation of plans and specifications in all necessary technical disciplines. The final design phase also includes design support during construction and shop drawing review. While final design will require about two years to complete, there would be substantial overlap with the preliminary engineering and construction phases. Final design costs will total about 6 percent of the total construction cost, on the order of $410 million for the Los Angeles-San Francisco segment or $650 million for the entire recommended system (again, these are order-of-magnitude estimates).

[1]This figure includes approximately $1 million for the Commission's expenses and staff and $4 million in consultant contracts.

9.0 Action Plan

9.1 Introduction

Over the past two years, the Commission has carefully studied high-speed rail from a number of perspectives. Now, the Commission has found that high-speed rail can be technically and environmentally feasible, and that it will generate positive economic benefits for the State. The proposed system will earn a profit on operations, but will require public funds to help finance design and construction. The Commission supports implementation of the proposed system in California, and has set forth recommendations for the technology, corridor-level alignment, financing, and operating of the system.

A number of high-speed rail projects in other states have reached this point and gone no further. High-speed rail would be a major infrastructure project that would be implemented over a 10 to 15 year period, on par with building California's freeway system or water projects. This Action Plan sets forth the tasks and steps that are necessary for implementation of high-speed rail in California.

The section below describes a newly created High Speed Rail Authority that has been given the powers to implement a high-speed rail system. The subsequent sections detail the major project phases and implementation issues that remain outstanding.

9.2 Institutional Authority – Senate Bill 1420

As concluded by the Institutional Analysis and Financing Options Evaluation (see Chapter 6.0), a high-speed rail system is best implemented by a special-purpose public agency or authority, given the complexity, size, and risk of the project. The Institutional Analysis also found that a special authority would be the type of entity best equipped to establish a relationship with a private partner who would design, build, and/or operate the system.

The recently enacted Senate Bill 1420 (SB 1420) created such an authority with the mandate to direct the development and implementation of intercity high-speed rail service in California. Broadly stated, the Authority's role is to protect the public's interest in bringing together the necessary elements for a successful high-speed rail project, implementing the project, and ensuring that partnership contract provisions are adhered to and the agreed upon levels of service to the public are maintained.

The new High Speed Rail Authority is to prepare a plan that would lead to construction and operation of a high-speed rail train network for the State, consistent with and continuing the work of the present Commission. Upon completion, the plan shall be

submitted to the Legislature and the Governor for approval by the enactment of a statute or to the voters of the State for approval.

The Authority is to consist of nine members: five appointed by the Governor, two appointed by the Senate Committee on Rules, and two appointed by the Speaker of the Assembly. Members of the Authority will hold office for four years. The Authority will be able to hire an Executive Director and staff.

Consistent with the findings of the Commission, the Authority is to plan for a system capable of achieving speeds of at least 200 mph. SB 1420 also emphasizes coordination and connectivity stating, "The [high-speed] intercity network...shall be fully coordinated and connected with commuter rail lines and urban rail transit lines...as well as other transit services through the use of common station facilities whenever possible."

Initially, the Authority will have the following powers to:

- Conduct engineering, environmental impact, and other studies;
- Evaluate alternatives and select a high-speed rail technology and operator;
- Establish criteria for the award of a franchise to design, build and/or operate parts or all of the system;
- Accept grants, fees, or allocations from the State, Federal government, local authorities, or private sources;
- Select a proposed franchisee, a proposed route, and proposed terminal sites;
- Enter into contracts with public and private entities for the preparation of the plan;
- Prepare a detailed financing plan, including any necessary taxes, fees, or bonds to pay for the construction of the high-speed rail network; and
- Submit the detailed financial plan to the Secretary of State for placement on the ballot at the November general election in 1998 or 2000.

Once funding for the high-speed rail network is secured, either by enactment of a statute by the Legislature and/or approval by the voters, the Authority would gain the following powers to:

- Enter into contracts with private or public entities for the design, construction and operation of high-speed trains (the contracts may be separated into individual tasks or segments or may include all tasks and segments, including a design-build or design-build-operate structure);
- Acquire rights-of-way through purchase or eminent domain;
- Issue debt, secured by pledges of State funds, federal grants, or project revenues (the pledge of State funds would be limited to those funds expressly authorized by statute or voter-approved initiatives);

9.3.4 Construction

The future Authority will have to devise a detailed construction schedule and financial plan for the system. In order to take advantage of financing supported by project revenues, the conceptual financial plan prepared by the present Commission assumes that the system will be constructed in two phases over an eight year period. The first phase, estimated to take five years, is construction of the Los Angeles-San Francisco Bay Area segment. During the second phase, links to San Diego and Sacramento would be completed within three years.

The construction phase includes excavation, structures, tunnels, trackwork, passenger stations, maintenance and storage facilities, communications systems, and environmental impact mitigation. This phase also includes the procurement of all system equipment, rolling stock, maintenance equipment, and right-of-way not acquired during earlier phases of design. The construction cost for the recommended system is $16.5 billion with VHS technology and $22.9 billion with Maglev technology (all in 1996 dollars).

9.3.5 Startup/Testing

Startup and testing must be completed before the system can begin revenue service. Most of this phase can be completed during the construction period, as segments of the system come on line. This phase will last for about a year and will require about 2 percent of the construction cost, or several hundred million dollars. The Authority or other regulator of the system will require tests of the system's quality and performance prior to acceptance. In addition, safety certification and training will occur during this phase.

9.4 Implementation Issues

While the five major project phases involved in high-speed rail implementation are defined, a number of legal, financial, and institutional issues remain open. The work of the new High Speed Rail Authority will consist largely of resolving these issues, which are described below.

9.4.1 Statutory Authorization and Voter Approval

Project Concept and Scope

SB 1420 requires the High Speed Rail Authority to submit a plan for the construction and operation of the high-speed rail system to the Legislature and Governor for approval by enactment of a statute or to the voters of the State for approval. SB 1420 does not specify the contents of this plan, other than that it shall be consistent with the work of the present

Commission. The plan *could* include items such as a final preferred alignment, station locations, service levels, and provisions governing the relationship with any private partner.

A key issue is the level of detail contained in the plan. The plan must present a proposal concrete and detailed enough for the voters or legislature and Governor to decide upon. At the same time, it is critical to ensure that the plan is flexible enough to remain attractive to potential private partners or investors. To achieve this balance, the Commission recommends seeking the input and expertise of private industry to review the plan and determine the appropriate level of specificity.

Base Funding Source

The Authority must develop a detailed financial plan that describes the taxes or other financing sources, as well as the bonds or other forms of indebtedness proposed to finance construction of the high-speed rail system. Before gaining the power to acquire rights-of-way, issue debt, or take other concrete steps towards implementation, this financial plan must be either approved by the Legislature by enactment of a statute and/or approved by the voters in the November general election in 1998 or 2000.

Statutory Requirements

Prior to seeking statutory authorization, the Authority will need to identify all existing statutes that would be affected by the high-speed rail authorization. The Authority will then need to draft a legislative request that includes proposed language for the bill, find a legislative sponsor, testify before the legislature, and guide the bill through the legislative process. The Authority will also play a role in providing information to the public on the measure and in building a coalition for its support.

Issues

Several key questions remain regarding statutory authority for the project concept and financing. First, the Authority will need to determine the best means for placing a high-speed rail measure on the ballot. While SB 1420 empowers the Authority to submit a plan to the Legislature and Governor and a funding measure to the Secretary of State, it does not dictate the composition of the ballot measure.

Aside from the appearance that the Authority is sponsoring a bill merely to sustain itself, the Authority may not legally be able to promote the high-speed rail measure or bill. Alternatively, a coalition of high-speed rail supporters could be built to sponsor a ballot measure. Such a coalition might include chambers of commerce, environmental groups, and community organizations. In any case, one of the first tasks of the Authority will be to determine its legally permitted role as well as the most favorable strategy in gaining the necessary approvals.

A second issue is the timing of obtaining approval for the project concept and financing with respect to selecting a private partner and obtaining environmental clearance. Securing the base funding source should be the first of these steps since the preliminary

engineering and environmental clearance phase will cost hundreds of millions of dollars. Neither the State nor a private partner would be willing to embark on this costly and risky phase without assurance that funding for eventual construction of the system is in place. As discussed above, however, input from potential private partners should be sought before high-speed rail is brought to the voters or Legislature. This may be accomplished through a pre-qualification of potential private partner consortiums before the ballot measure is finalized and taken to the public.

Finally, there is the question of whether the funding measure should seek financing for the high-speed rail system as a stand-alone project or as part of a more comprehensive package of transportation improvements. While such a package would require additional funds beyond those identified in the conceptual financial plan, the measure may stand a greater chance of approval if funds are included for other rail, transit, or highway projects across the State.

9.4.2 Establishing the Public-Private Partnership

The private partner will most likely design and build the high-speed rail system. This same party could also operate the system or a separate private partner could be selected for this purpose. The private partner will be expected to provide efficiencies in system design and construction, quality and performance guarantees and warranties, and some financial participation (through deferred compensation arrangements or leasing rolling stock, for example).

The private partner will not necessarily be one company but is more likely to consist of a consortium of companies. Team members could include quasi-public agencies or existing rail operators such as Amtrak. While this Action Plan refers to a private "partner", different parties may be selected to design, build, and/or operate all or parts of the system.

Solicit and Select Private Partner

The Authority must draft a Request for Proposals (RFP) to design, build, and/or operate the high-speed rail system. While the Authority may draft and circulate the RFP for industry review and comment prior to the November election, the RFP should not be advertised until after the high-speed rail system is approved by the Legislature and/or voters. After the RFP is advertised, the Authority will respond to questions from potential bidders, conduct a bidders' conference, establish a well-qualified proposal review team with experienced advisers, review proposals, and conduct interviews of qualified teams. The RFP will need to be advertised from between six months to a year so that teams can develop detailed and responsive proposals.

Negotiate Public-Private Partnership Agreement

The relationship between the public (the High Speed Rail Authority) and the private partner will be defined by a complex design/build/operate franchise agreement. Reaching this agreement will take substantial negotiation. Among other provisions, the agreement will likely include escape clauses to protect all parties during the design and

9.4.3 Coordination with Local Authorities and Public Outreach

In preparing its high-speed rail plan, the Authority will need to consult with Regional Transportation Planning Associations (RTPAs), Metropolitan Planning Organizations (MPOs), transit authorities, commuter rail services, major railroads, and local land use authorities. Support from all these organizations for the high-speed rail plan will be critical since funding of the statewide high-speed rail system must be coordinated with local and regional transportation needs. Planned transportation investments, such as station improvements, grade separations, or electrification must be consistent with a comprehensive high-speed rail plan. The Authority will also look to local agencies to contribute to the costs of facilities such as stations. Amounts for local funding contributions or shared costs must be determined for each component of the project. In addition, high-speed rail schedules and service plans must be coordinated with local light rail, commuter, and other transit services. Finally, high-speed rail alignments, station locations, and associated development should mesh with local general and redevelopment plans. Ultimately, the high-speed rail system will need to be part of the Regional Transportation Improvement Plan (RTIP) of each affected Metropolitan Planning Organization (MPO) along the proposed alignment.

Ideally, the project plan submitted to the Legislature or voters would include resolutions of support from each involved agency. In addition to helping gain public and legislative support for the high-speed rail system, local funding contributions or commitment to cost sharing projects are an essential component of the project's financial plan. The issue of the level of detail in the plan arises here once again, however. If the plan leaves alignment or other implementation details open for resolution following funding approval, agencies are likely to support the broadly outlined plan but make final support contingent on the details. Thus, at least two levels of local agency approval are likely to be necessary: the first to gain approval for the overall project and base funding mechanism and the second to gain approval for specific segments or component projects. In sum, coordination will be an ongoing process.

An issue that arises when considering how local and public support will be built for the project is the need to balance competing demands for high-speed rail service with limited resources available. Quite naturally, localities will want the highest level of service possible, especially if asked to fund some system-related improvements. Ideally, the system would directly serve all localities that wished to have the service. In reality, resource constraints will dictate some tradeoffs in serving one area versus another, in the phasing of the overall project, and in the level of service provided to each station. Also, while the proposed system would serve the majority of California's population directly, there are equity considerations related to a statewide funding mechanism. For these reasons, it may be advantageous to bundle the high-speed rail project with a comprehensive transportation funding measure that includes funds for other rail, transit, airport improvement, or even highway projects.

Issues of local coordination can only be resolved with a comprehensive statewide rail system plan that addresses not only the configuration of the high-speed rail service but conventional intercity rail, commuter rail, and urban feeder systems as well. The broad scope of the plan is necessary since arrangements for shared right-of-way, shared facilities, and coordination of operations are critical to the functioning of a high-speed rail system.

9.5 Recommendations

The institutional and legal framework set forth by SB 1420, the significant costs of the preliminary engineering and environmental clearance phases, the degree of risk, and the likely painstaking process of building consensus for a high-speed rail system tend to favor a certain sequence of steps towards high-speed rail implementation. After extensive consideration, the Commission recommends the plan outlined below as the blueprint for its successor Authority to follow:

1. Obtain statutory authority and base funding source for the system.

There can be no significant progress on high-speed rail implementation nor can a private partner be selected until voters have approved a source of base funding. Thus, taking the necessary actions to secure funding is of paramount concern. In support of this crucial step, the Authority will initiate local coordination, begin statewide coalition building, establish a public outreach program, research legal and institutional issues, and draft language for a ballot measure. The Authority will use the time prior to placing measures on the ballot to develop a detailed financial plan in consultation with public finance and other experts as well as potential private partners. Concurrently, the Authority should also consider taking the following steps:

- *Employ a Request for Qualifications (RFQ) process to identify potential private partner consortia qualified to bid on the system design and construction.* This process will allow the Authority to tap the experience of these potential partners both in developing the ballot measure and in identifying other system specifications with an appropriate balance between specificity and flexibility.

- *Participate in the preparation of a comprehensive, statewide rail system plan.* The purpose of this plan would be to define the broad transportation context into which high-speed rail will fit. This plan may serve as a source of potential desirable transportation improvements to be integrated with high-speed rail in a balanced and coordinated funding measure.

- *Develop a procurement approach, the form of contract to be used in negotiations, and a Request for Proposals (RFP).* The Authority should involve industry representatives and retain a team of legal and financial advisors to assist in the procurement process.

2. Solicit and select private partnership in the project.

Once financing is secured, the Authority will advertise the Request for Proposals, select responsive teams for interview, conduct interviews, and de[illegible]nate a tentative franchisee. Negotiations then will be conducted to determine the final form of the agreement between the public and private partners. The Authority will be represented in the negotiations by its team of expert advisers.

3. Conduct preliminary engineering and environmental clearance.

Some degree of flexibility with respect to alignments and service patterns must be retained throughout the preliminary engineering and environmental clearance process. At the conclusion of this step, the Authority will have an environmentally-cleared preferred alignment and system configuration that will proceed to final design.

4. Initiate final design, construction, and start-up.

With the system alignment and confirmation approved, the Authority will oversee final design, system construction, and start-up of operations. There is substantial opportunity to decrease the total amount of time required for these phases by conducting certain tasks concurrently. For example, some construction can begin while other segments or components are in final design, and some system testing can be conducted before all construction is completed.

9.6 Conclusion

In closing, there is an urgency to addressing future travel demands now, because of the long lead times required for any major transportation infrastructure improvement. A limited amount of capital is available from the public and private markets to support a project of this magnitude and California is competing with other states, regions, and countries for investment. Implementation of high-speed rail will only become more difficult as time goes on as potential alignments are developed and transportation facilities planned without the benefit of a common intercity rail blueprint.

A final point concerns the manner in which the system is implemented. Throughout its work, the Commission has reiterated its commitment to equal opportunity for all California's citizens. This principle must continue in the work of the succeeding Authority.

SB 1420 provides California with the opportunity to meet these challenges and address its 21st century transportation needs. The Commission has found high-speed rail to be a feasible and desirable investment for the State. However implementing the system will require significant public support and funding. While worthy, the project will be competing with other public funding priorities. Ultimately, the decision to build high-speed rail rests with California's Administration, Legislature, and citizens.

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Appendix A

Senate Concurrent Resolution 6 and Executive Order W-48-93

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER W-48-93

WHEREAS, California must develop alternative modes of passenger transportation to meet increasing demands on its existing transportation system, address air quality concerns and reduce fossil fuel dependency; and

WHEREAS, a high speed ground transportation (HSGT) system offers the opportunity to stimulate the growth of research, development, manufacturing and support industries associated with rail transportation in California; and

WHEREAS, HSGT passenger services are environmentally attractive alternatives to auto and air travel, and the congestion caused by their use; and

WHEREAS, the federal Intermodal Surface Transportation Efficiency Act (ISTEA) contains several provisions to encourage development of HSGT, including MagLev and steel-wheel-on-rail technologies, and identifies federal funds to facilitate the creation of a viable commercial high speed ground transportation industry within the United States; and

WHEREAS, the State of California is in a unique position from both market and geographic perspectives to attract the investment capital needed to implement a HSGT system as a public/private partnership, but initial groundwork is needed to make this promise a reality; and

WHEREAS, State of California should identify key transportation corridors with high potential for HSGT implementation in California which would be integrated into and coordinated with California's overall transportation system and provide improved mobility for the people of the State of California; and

WHEREAS, the San Diego-Los Angeles-San Francisco corridor is the most heavily travelled corridor in the United States and is considered one of the most viable candidate corridors of HSGT development; and

WHEREAS, the San Diego-Los Angeles-San Francisco rail corridor through the San Joaquin Valley has been federally designated as one of five high speed passenger rail corridors nationwide; and

WHEREAS, the HSGT endeavor is the largest public/private infrastructure project contemplated by the State of California, requiring full and careful consideration of its policy implications; and

WHEREAS, close coordination between private industry and all levels of government is needed to develop the sound policy and financial framework to make this effort succeed; and

WHEREAS, it should be the policy of the State of California that construction of a high speed rail network should be started by the end of this century;

NOW, THEREFORE, I, PETE WILSON, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately:

1. There is hereby created an Intercity High Speed Ground Transportation Task Force, to be chaired by the Secretary of the Business, Transportation, and Housing Agency.

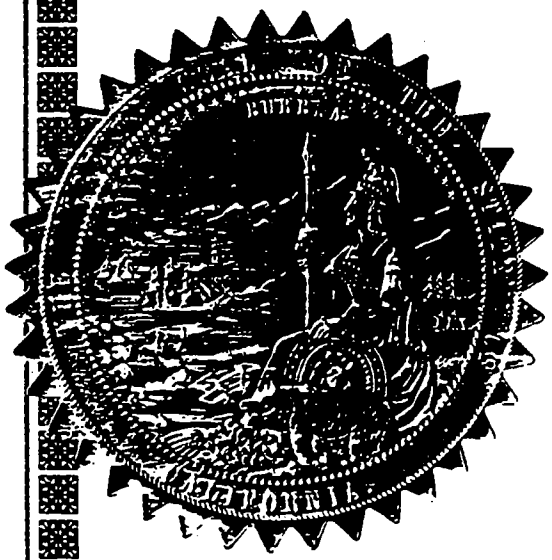
2. Membership on the Task Force will include the Director of the California Department of Transportation, two members of the California Transportation Commission, one member of the California Public Utilities Commission, the Secretary for Environmental Protection, one designee of the Chairman of the Senate Transportation Committee, one designee of the Assembly Minority Leader, one representative from a regional transportation agency, and two representatives from the transportation and public finance industries with an expertise in high speed rail transportation, and a member of a public interest group with an expertise in transportation.

3. To assist in their activities, the Task Force may invite individuals to become non-voting ex officio members, such as representatives of federal, state and local governments, institutions of higher education, representatives of the railroad and aeronautics industries, labor unions, local and regional economic development organizations, trade associations, and others as appropriate. Each Task Force member who is a state or local officer shall be subject to the conflict of interest code adopted and promulgated by his or her agency or appointing aurthority. All other members, including non-voting ex officio members, shall be subject to the conflict of interest code adopted and promulgated by the California Transportation Commission.

4. The Task Force shall recommend strategies to develop a multi-phase public/private partnership effort leading to the construction of a California High Speed Ground Transportation passenger system, including plans to enable California to gain any federal funds intended to assist in the development of a high speed rail system.

5. The Task Force shall develop, by December 31, 1993, an overall plan -- a visionary document -- outlining the development of such a system, which will include identifying transportation corridors within the State which have great potential for high speed ground transportation.

6. The Task Force also shall develop, by June 30, 1995, a detailed financial and construction plan to enable the construction of at least one high speed transportation corridor by the end of this century.



IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 30th day of March 1993.

Pete Wilson

Governor of California

ATTEST:

March Fong Eu

Secretary of State

RESOLUTION CHAPTER 56

Senate Concurrent Resolution No. 6—Relative to transportation.

[Filed with Secretary of State July 20, 1993.]

LEGISLATIVE COUNSEL'S DIGEST

SCR 6, Kopp. Transportation: intercity high-speed rail network.

This measure would request the Department of Transportation, under the direction of the Intercity High-Speed Rail Commission, which the measure would request the Governor to establish, to prepare a 20-year high-speed intercity ground transportation plan, as specified, for implementation beginning in the year 2000.

WHEREAS, California, over the past decades, has built an extensive network of freeways and airports to meet the state's growing transportation needs; and

WHEREAS, These facilities are not adequate to meet the mobility needs of the current population; and

WHEREAS, The population of the state and the travel demands of its citizens are expected to continue to grow at a rapid rate; and

WHEREAS, The cost of expanding the current network of highways and airports to fully meet current and future transportation needs is prohibitive, and a total expansion strategy would be detrimental to air quality; and

WHEREAS, Intercity rail service, when coordinated with urban transit and airports, is an efficient, practical, and less polluting mode that could fill the gap between future demand and present capacity; and

WHEREAS, Advances in rail technology have allowed intercity rail systems in Europe and Japan to attain speeds of up to 200 miles per hour and compete effectively with air travel for trips in the 200- to 500-mile range; and

WHEREAS, Development of a high-speed ground transportation system is a necessary and viable alternative to automobile and air travel in the state; and

WHEREAS, In order for the state to have a comprehensive network of high-speed intercity rail by the year 2020, it must begin preparation of a 20-year high-speed intercity rail plan similar to California's former freeway plan and designate an entity with a stable and predictable funding source to implement the plan; and

WHEREAS, Utilizing existing human and manufacturing resources to build a large network of high-speed ground transportation systems will generate jobs and economic growth for today's population and produce a transportation network for future generations; and

RESOLUTION CHAPTER 56

Senate Concurrent Resolution No. 6—Relative to transportation.

[Filed with Secretary of State July 20, 1993.]

LEGISLATIVE COUNSEL'S DIGEST

SCR 6, Kopp. Transportation: intercity high-speed rail network.

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WHEREAS, The population of the state and the travel demands of its citizens are expected to continue to grow at a rapid rate; and

WHEREAS, The cost of expanding the current network of highways and airports to fully meet current and future transportation needs is prohibitive, and a total expansion strategy would be detrimental to air quality; and

WHEREAS, Intercity rail service, when coordinated with urban transit and airports, is an efficient, practical, and less polluting mode that could fill the gap between future demand and present capacity; and

WHEREAS, Advances in rail technology have allowed intercity rail systems in Europe and Japan to attain speeds of up to 200 miles per hour and compete effectively with air travel for trips in the 200- to 500-mile range; and

WHEREAS, Development of a high-speed ground transportation system is a necessary and viable alternative to automobile and air travel in the state; and

WHEREAS, In order for the state to have a comprehensive network of high-speed intercity rail by the year 2020, it must begin preparation of a 20-year high-speed intercity rail plan similar to California's former freeway plan and designate an entity with a stable and predictable funding source to implement the plan; and

WHEREAS, Utilizing existing human and manufacturing resources to build a large network of high-speed ground transportation systems will generate jobs and economic growth for today's population and produce a transportation network for future generations; and

WHEREAS, Upon confirmation of need and costs by detailed studies, the private sector, together with the state, can build and operate new high-speed intercity ground transportation services utilizing private and public financing; now, therefore be it

Resolved, by the Senate of the State of California, the Assembly thereof concurring, That the Department of Transportation is requested to prepare a 20-year high-speed intercity ground transportation plan, utilizing contractors and experts from outside the department who are experienced in rail planning, financing, and construction; and be it further

Resolved, That development of the plan be carried out under the direction of the Intercity High-Speed Rail Commission, composed of members representing diverse population and interests who can bring their knowledge and expertise toward planning such a major undertaking by the state; and be it further

Resolved, That the objective of the high-speed ground transportation system is to serve intermediate intercity travel, leaving local and commute trips to urban transit systems and long intercity travel to air carriers; and be it further

Resolved, That the plan be sufficiently detailed to include corridors, project financing alternatives, and make recommendations for operation and maintenance of the system, and that it be designed to take advantage of the knowledge, expertise, and manufacturing resources that are currently engaged in the defense industries in California; and be it further

Resolved, That a focused and phased approach to implementing a high-speed ground transportation system be taken to ensure the efficient use of scarce resources for high-speed rail; and be it further

Resolved, That the plan identify corridors to be served, and financing and implementation strategies for the development, construction, operation, and maintenance of the high-speed ground transportation system; and be it further

Resolved, That a Los Angeles to San Francisco Bay Area High-Speed Corridor be the first corridor developed; and be it further

Resolved, That all feasible routes be considered and that this measure shall not be construed to imply preference for any specific route; and be it further

Resolved, That construction commence on a Los Angeles to San Francisco Bay Area High-Speed Ground Transportation Corridor by the year 2000, and that by the year 2020, high-speed ground transportation service be operating between Sacramento, the San Francisco Bay area, the Los Angeles area, the San Bernardino/Riverside area, Orange County, and San Diego; and be it further

Resolved, That in order for California to have an integrated state-of-the-art, high-speed ground transportation network by the year 2020 construction of the Los Angeles to San Francisco Bay Area

High-Speed Corridor should begin by the year 2000, simultaneously with the development of a 20-year intercity high-speed ground transportation plan; and be it further

Resolved, That the high-speed ground transportation system be coordinated with conventional intercity rail service and with urban transit service in each urban area where either of those services is available, and serve directly or through urban transit connections major airports in urban areas of the state; and be it further

Resolved, That the plan include alternative financing methods for the building and operation of the high-speed ground transportation network; and be it further

Resolved, That the financing plan include, but not be limited to, all of the following:

(1) Construction, operation, and maintenance by a private entity utilizing private funds.

(2) Use of state general obligation bonds.

(3) Use of revenue bonds backed by incremental increases in gasoline tax to pay principal and interest, with a schedule for sale of bonds and a schedule for each incremental gasoline tax increase.

(4) Use of airport funds to the extent that the new network would eliminate the need for airport expansion.

(5) Identification of potential alternative public funding sources; and be it further

Resolved, That the plan include an operation plan with recommendations as to the entities that should be responsible for operation, maintenance, fare schedules, and safety regulations; and be it further

Resolved, That a draft plan be made available to transportation planning and programming entities and the public not later than July 1, 1995; that the Intercity High-Speed Rail Commission hold at least two public hearings, one in northern California and one in southern California, within 60 days following release of its draft plan; that the committee give consideration to the comments and recommendations it receives on its draft plan and develop a final plan; and that the final plan be adopted and submitted to the Governor and the chairperson of the Senate and Assembly Committees on Transportation not later than December 31, 1995; and be it further

Resolved, That the Legislature requests the Governor to establish an Intercity High-Speed Rail Commission composed of nine members as follows:

(1) Four members appointed by the Governor.

(2) Two members appointed by the Senate Committee on Rules.

(3) Two members appointed by the Speaker of the Assembly.

(4) The Secretary of Business, Transportation and Housing; and be it further

Resolved, That members of the commission hold office until the final plan has been submitted to the Legislature the Governor;

and be it further

Resolved, That in appointing members, the appointing powers make every effort to assure that the members of the commission reflect the ethnic and gender diversity of the state's population; and be it further

Resolved, That the Secretary of Business, Transportation and Housing be the chairperson and preside at all meetings of the commission, and, from among its members, the commission elect a vice chairperson to preside in the absence of the chairperson; and be it further

Resolved, That in the case of members appointed by the Governor, the appointments be such that each member meets at least one of the following qualifications:

(1) Experience and knowledge related to the aerospace industry.

(2) Experience and knowledge related to transportation engineering.

(3) Experience and knowledge related to business administration; and be it further

Resolved, That in the case of members appointed by the Senate Committee on Rules, appointments be such that each member meets at least one of the following criteria:

(1) Experience and knowledge related to financing of new private and public projects.

(2) Experience and knowledge related to planning of transportation facilities; and be it further

Resolved, That in the case of members appointed by the Speaker of the Assembly, appointments be such that each member meets at least one of the following criteria:

(1) Experience and knowledge related to environmental protection.

(2) Experience and knowledge related to high-speed train service; and be it further

Resolved, That members of the commission shall not engage in any activity that is prohibited by the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code); and be it further

Resolved, That five members of the commission constitute a quorum for taking any action by the commission; and be it further

Resolved, That the members of the commission be reimbursed for their travel expenses incurred in attending noticed meetings of the commission; that the commission make every effort to hold its meetings in Sacramento and make other necessary efforts to reduce travel expenses subject to reimbursement by the state; and be it further

Resolved, That upon a request by the commission, the Department of Transportation assign department employees as staff for the commission; that the number of employees to be assigned and the individuals to be assigned as staff to the commission be mutually

agreed upon by the commission and the Director of Transportation; and that the director shall take all necessary actions to assist the commission to carry out its responsibility; and be it further

Resolved, That the appointing powers make appointments to the commission within 30 days of the date this measure is chaptered.

O

Appendix B

Intercity High Speed Rail Commission

Appendix B

Dean Richard Dunphy, Chairman

Mr. Dunphy, a long-time San Diego civic leader and retired President and CEO of the Dunphy Construction Company, was appointed Secretary of Business, Transportation and Housing Agency effective January 1994. Prior to assuming the Secretary position, he served as a member of the California Transportation Commission. Secretary Dunphy served on the San Diego Center City Development Corporation's Board of Directors and in 1984 he began his seven year term as President. In this position he presided over the revitalization of downtown San Diego. He served as the President of the Board of the San Diego Transit Corporation from 1985 to 1991. He is a board member of the First National Bank in San Diego. He is also a member of the San Diego Historical Society, the Chancellor's Associates for the University of California and the President's Council of the La Jolla Cancer Research Foundation. Mr. Dunphy earned a Bachelor of Science Degree in Business Finance from the University of Southern California in 1950.

Donna Lee Andrews

Donna Lee Andrews is President and CEO of the Lee Andrews Group, Inc., a multi-cultural Los Angeles based firm which provides project management services to public-private partnership projects; government and community relations; human resources management and training. Prior to founding the LA Group, Ms. Andrews worked as the Southern California Coordinator for Senator Barbara Boxer, Deputy Finance Director for Attorney General Joh Van de Kamp and District Attorney Arlo Smith. Ms. Andrews earned a JD from USC Law School, a Master's Degree in Public Policy Analysis from the Claremont Graduate School Center for Politics and Policy, a Bachelor's Degrees in Philosophy and Psychology from Scripps College.

Aimee S. Brown

Aimee S. Brown, of San Francisco, is a founding principal of Artemis Capital Group, Inc., a national investment bank owned and operated by women. Ms. Brown heads Artemis Capital's San Francisco office and is responsible for the Firm's investment banking activities in the Western Region and throughout the country. The Firm's core business is the financing of infrastructure through both public and private investment. Nationally renowned for her expertise in airport financing, Ms. Brown has extensive experience with a diverse range of transportation issues. Over the course of a career in finance spanning more than two decades, she has worked closely with numerous state and regional transportation authorities across the nation on highway, light rail, seaport and airport projects. Ms. Brown earned a Bachelor's Degree in Urban Studies from Trinity College, and a Master's of Management in Public Management and Business from the Kellogg School of Management Northwestern University.

Daniel Wm. Fessler

Daniel Wm. Fessler, of San Francisco, formerly served on the California Transportation Commission and is a California Public Utilities Commissioner (CPUC). He is a former Professor of Law at the University of California, Davis. He holds a Bachelor of Science Degree from Georgetown University's School of Foreign Service, a Bachelor of Law from Georgetown and received a Doctor of Juridical Science from the Graduate Division of Harvard's School of Law. He is also a fellow in Urban Affairs of the Massachusetts Institute of Technology and Harvard University.

Edward G. Jordan, Vice Chair

Mr. Jordan, of Carmel, served as president of the American College at Bryn Mawr from 1982 to 1988. He served as Chair and CEO of Conrail from its formation in 1975 to 1981; previously, he was president of the United States Railroad Association from 1974 to 1975 creating the final System Plan for reorganizing the bankrupt railroads. He earned a Bachelor's Degree in Economics from the University of California in 1951 and a Master's Degree in Business Administration from Stanford University in 1953. In January 1995, the Governor appointed Mr. Jordan to the California Transportation Commission, where he was recently elected Chairman. Mr. Jordan is currently co-authoring a book on the rail crisis of the seventies and the remarkable positive changes which subsequently occurred in the rail industry.

Johnetta MacCalla, Ph.D.

Dr. MacCalla, of Altadena, is the CEO of ASCI, a position she has held since 1980. From 1972 to 1979 she served as Project Chief at Hughes Aircraft in El Segundo. Dr. MacCalla graduated from Brown University in 1972 with a Bachelor of Science Degree in Engineering. She earned a Master's Degree from Stanford in 1973, and a Ph.D. from the University of Southern California in 1979, both in Electrical Engineering. She is active in the Institute of Electrical and Electronic Engineers and a member of the American Electronic Association, the LACMTA Transportation Business Advisory Council, the Los Angeles Mayor's Technology Task Force and of Project California.

Mehdi Morshed

Mr. Morshed, of Sacramento, is the staff director for the Senate Committee on Transportation and has served in that capacity since 1977. Prior to his current assignment he served as transportation planner for the California Department of Transportation and the Metropolitan Transportation Commission and served on the Governor's Task Force for the preparation of the California Transportation Plan. Mr. Morshed is acknowledged as an expert on the state's transportation finance and institutional structure and has been the chief architect of all major transportation legislation in the past 15 years. He holds a Master of Science Degree from the University of California, Berkeley, in transportation engineering.

Audrey Rice Oliver

Ms. Oliver, of San Ramon, is the President and CEO of Integrated Business Solutions, Inc. which specializes in computer system integration, hardware and software sales, and software development. She has extensive experience with MBE/WBE programs and has owned several management consulting firms. In 1995 Ms. Oliver participated in the Pacific Rim Economic Conference at the request of President Clinton and was recognized by the State of California as having the 'Best Woman-Owned Business'. In 1996 she was named the 'National Minority Entrepreneur of the Year' by the U.S. Department of Commerce and was recently appointed member of the National Maglev Study Advisory Committee.

Michael E. Tennenbaum

Mr. Tennenbaum, of Malibu, is the managing member of Tennenbaum & Company, LLC., a firm which specializes in making equity investments in businesses, real-estate and securities. Prior to forming Tennenbaum & Company, Mr. Tennenbaum served for 32 years in various capacities at Bear Sterns, a Los Angeles-based securities firm, including Vice Chairman, Investment Banking. Mr. Tennenbaum advised the State of California on its lengthy and dramatic privatization of Blue Cross of California and is Chairman of the Special Financial Advisory Committee to the Mayor of Los Angeles. A graduate of Georgia Institute of Technology with a degree in Industrial Engineering, Mr. Tennenbaum received a Masters Degree in Business Administration from Harvard in 1962.

Appendix C

Technical Study Outputs

Appendix C

Corridor Evaluation and Environmental Impacts

Parsons Brinckerhoff Quade & Douglas, Inc. 1994 (a). *Los Angeles – Bakersfield High Speed Ground Transportation Preliminary Engineering Feasibility Study: Summary Report,* prepared for California Department of Transportation District 7.

———. 1994 (b). *Los Angeles – Bakersfield High Speed Ground Transportation Preliminary Engineering Feasibility Study: Final Report,* prepared for California Department of Transportation District 7.

———. 1995. *High Speed Rail Corridor Evaluation and Environmental Constraints Analysis: Draft Technology Evaluation Report,* submitted to the California Intercity High Speed Rail Commission.

———. 1996 (a). *High Speed Rail Corridor Evaluation and Environmental Constraints Analysis: Draft Final Report,* submitted to the California Intercity High Speed Rail Commission.

———. 1996 (b). *High Speed Rail Corridor Evaluation and Environmental Constraints Analysis: Plans and Profiles,* submitted to the California Intercity High Speed Rail Commission.

Sharon Green and Associates. 1996. *Candidate High Speed Rail Stations and Intermodal Connectivity; California Intercity High Speed Rail Study.*

Wilbur Smith Associates. 1994. *Los Angeles – Bakersfield High Speed Ground Transportation Preliminary Engineering Feasibility Study: Freight Compatibility Study,* prepared for California Department of Transportation District 7.

Ridership and Revenue Forecasting

Charles River Associates. 1996. *Independent Ridership and Passenger Revenue Projections for High Speed Rail Alternatives in California,* prepared for the California Intercity High Speed Rail Commission. Boston, Massachusetts.

Financial Analysis

Public Financial Management, Inc. with Jacki Bacharach and Associates, Nossaman, Guthner, Knox & Elliot, Sharon Greene & Associates, Robinson & Pearman, Great Pacific Securities, and L. S. Gallegos & Associates, Inc. 1996. *Financial Feasibility Assessment and Financial Plan.*

Institutional Issues

Nossaman, Guthner, Knox & Elliot with Jacki Bacharach and Associates, L.S. Gallegos & Associates, Inc., and Robinson & Pearman. 1996. *Institutional Analysis for the California Intercity High Speed Rail Commission: Project Delivery Analysis; Jurisdictional Analysis; Entity Analysis.*

Economic Impact

Economics Research Associates. 1996. *Draft Final Report: Economic Impact and Benefit/Cost of High Speed Rail for California,* submitted to the California Intercity High Speed Rail Commission.

M. Bernick and R. Cervero. 1996. *High-Speed Rail and Development of California's Central Valley: Comparative Lessons and Public Policy Considerations.* Berkeley: Institute of Urban and Regional Development, University of California. This report is available from the Institute of Urban and Regional Development. To order, call (510) 643-9576.

Wilbur Smith Associates with Flight Transportation Associates and J.R. Ramos Associates. 1996. *Working Paper #3; Cost Comparison of Mode Alternatives; California HSR Economic Impact,* prepared for the California Intercity High Speed Rail Commission.

Public Participation

Consensus Planning Group. 1996. *Public Participation Program Summary Report.*

Appendix D

Public Participation Program

Availability of Documents

Copies of the documents listed above can be obtained by contacting Caltrans Publications at (916) 445-3520.

The following libraries also have a complete set of technical reports available:

Department of Transportation Library
P.O. Box 942874
Sacramento, CA 94274

Fresno County Library
Government Publications
2420 Mariposa Street
Fresno, CA 93721-2285

Stockton Public Library
605 North El Dorado Street
Stockton, CA 95202

Harmer E. Davis Transportation Library
412 McLaughlin Hall
UC Berkeley
Berkeley, CA 94720

Los Angeles Central Library
Business & Economics Department
630 West Fifth Street
Los Angeles, CA 90071

Appendix D

Goals and Strategies

The purpose of the public participation program was to reach out to people, organizations and public agencies around the State to inform them about the purpose and process of the high-speed rail studies. The public had the opportunity to be involved throughout the study process, and to contribute to the recommendations developed at the studies' conclusion.

The public participation program set out six specific objectives in order to achieve its overall goal. The objectives were designed to assist in the timely and successful completion of the studies while ensuring full public involvement in the process. The objectives of the program were to:

- Identify and involve interested individuals and groups;
- Present high-speed rail attributes and build public awareness;
- Define issues, concerns, questions, suggestions, and attitudes;
- Communicate issues to technical teams for integration into the studies;
- Provide an open environment for clear, productive communication; and
- Develop and implement an effective media strategy.

Public Participation Activities

Stakeholder Identification and Contact

Stakeholder identification and contact formed the core of the studies' public participation program. The program began in September 1994 by identifying stakeholders who could affect or be affected by the high-speed rail system. The stakeholders were incorporated into a database which now includes federal-, state-, county-, and city-level officials throughout the State; transportation and other government agency representatives; environmental groups; business groups; property owners; homeowners and civic organizations; and the media. The database has almost 3,500 stakeholder entries.

Interviews and Preliminary Issues Identification

The public participat... team and Commission staff met with key stakeholders to brief them on the studies and to begin identifying issues of concern. To date, the team has held more than 70 stakeholder meetings, many of which involved multiple organizations. Each meeting was fully documented.

Preparation of Public Information Materials

The public participation team prepared a variety of public information materials for broad public distribution, including an initial brochure on the studies, four project newsletters, and a final brochure summarizing the commission report. These were mailed to the stakeholder database and widely distributed at meetings and other locations.

A videotape produced by the public participation team provided stakeholders with background on high-speed rail and the Commission's work. It has been played at meetings and workshops throughout the State, mailed to interested organizations, broadcast on government cable stations, and played at commuter rail stations.

Public Workshops – Fall 1995

Twenty-seven workshops were held on the High Speed Rail (high-speed rail) feasibility studies throughout the State from October 10, to November 9, 1995 at the following locations:

Bay Area	San Joaquin & Antelope Valleys	Los Angeles Area	Southern Extension Cities	Sacramento Area
Oakland	Bakersfield	Glendale	Orange	Sacramento
San Francisco	Fresno	Los Angeles	Riverside	
San Jose	Palmdale		San Diego	
	Stockton			

The objective of the public workshops was to present the high-speed rail studies and preliminary findings, provide the public with opportunities to offer input to the high-speed rail feasibility studies, and to respond to the public's issues, questions, and comments.

The approach chosen for the public participation program overall promoted a two-way dialogue between the study team and the public with high participation and interaction. The workshop format continued that approach. A broad cross-section of stakeholders attended the workshops, including elected officials, their staff, government officials, representatives from small and large businesses, rail enthusiasts, and the general public. In total, approximately 265 people attended the workshops.

Comments from the workshops were summarized in a report and presentation to the Commission and technical team members.

Public Outreach Campaign – Spring/Summer 1996

Continuing the stakeholder identification and contact, the public participation program conducted ongoing presentations and briefings on the updated findings of the feasibility studies to key stakeholders throughout the State, including all the major regional transportation planning agencies and regional councils of governments. Their input has been integrated into this report and helped guide the Commission as they developed their final recommendations.

Media Coverage

The public participation team actively encouraged media throughout the State to cover the work of the High-Speed Rail Commission. Newspapers printed articles and broadcasted stories about the workshops and major Commission decisions. The Commission's work was also covered by trade publications and agency newsletters.

Public Hearings

Three public hearings were conducted throughout the State to obtain public input on the *Draft High Speed Rail Report and Action Plan*. State and local elected officials, government representatives, business leaders, and the general public offered written and oral testimony on the draft report. The hearings were the final phase of the public participation program conducted by the California Intercity High Speed Rail Commission. The hearings were held as follows:

City	Date	Location	Attendance
San Francisco	October 22, 1996	Public Utilities Commission Auditorium	130
Los Angeles	October 29, 1996	Metrtpolitan Transportation Authority Board Room	120
Fresno	November 1, 1996	City Council Chambers	101

Testimony at the hearings was documented and provided to the Commission for their use in preparing the Final *High-Speed Rail Summary Report and Action Plan.*

Comments

This section summarizes comment during the public hearings on the *Draft High-Speed Rail Report and Action Plan*. This is a summary, and therefore, it does not include every specific comment. As a summary of public comment, this chapter is not intended to reflect the opinion of the Intercity High Speed Rail Commission, its staff, or its consultants. The public participation summary, which includes written comments from the public, is available and on file with the High Speed Rail Commission.

Public Hearings

Introduction

The overall public response was very positive. People were generally supportive of the Commission's work and, where critical, chose to focus on a particular issue. There was substantial support for bringing high speed rail to California. High speed rail is seen as an important component of the State's transportation system for the next century, and as one which provides major economic and environmental benefits.

This summary of comment on the draft report is generally organized by hearing; a discussion of broader issues follows the reports on the three hearings.

Public Comment at the San Francisco Hearing

Downtown San Francisco Terminal versus Oakland Terminal – Strong opinions were expressed over whether the northern terminal should be located in San Francisco or Oakland. Proponents on both sides came to the hearing and submitted oral and written testimony. A number of people mentioned that they thought the downtown San Francisco location should be at the Transbay Terminal, rather than the CalTrain Station, which is over a mile from downtown. They felt that the Transbay Terminal was more convenient and would connect more easily to other modes of transportation.

The following arguments were made in favor of a Downtown San Francisco Terminal:

- San Francisco is the capital city of the Bay Area and the cultural and economic center of the region.
- San Francisco plans a "downtown transportation hub" that will link all points via train, BART, bus and ferry.
- High speed rail's economic potential to spawn shops, restaurants and other development where convention center facilities are already currently expanding.
- San Francisco station offers highest ridership and in turn creates the highest financial return and service potential for the system.

- San Francisco is one of the world's top destinations for travelers, as well as workers, conventioneers and other visitors.

- Financing assistance for a downtown San Francisco station was offered by Mayor Willie Brown.

The following arguments were made in favor of an Oakland Terminal:

- Oakland is a transportation hub that provides travelers with intermodal connections to BART, the Capitol Corridor, Amtrak Services to the Pacific Northwest and East, and Oakland International Airport.

- Alameda County's population is greater than San Francisco's, and there is more room for industrial and population growth.

- The East Bay offers adequate land for a maintenance facility.

- Building on Peninsula is redundant with existing rail services and the Peninsula Rail Corridor is too congested to accommodate high-speed rail.

- A terminal in San Francisco is a deadend, whereas the system can be expanded north from Oakland.

- The recommended alignment could spell doom for Oakland by pulling people and businesses out of the area and discouraging them from locating there in the first place.

- High speed rail in the East Bay would be less costly and less time consuming to build.

- San Francisco could be served by BART from a West Oakland multimodal station.

The following arguments were made for stations in both San Francisco and Oakland:

- Serve both San Francisco and Oakland by adding rail to the planned Bay Bridge retrofitting project.

- Split the route at San Jose and access both San Francisco and Oakland.

- Leave Bay Area alignment issues to Bay Area governments.

San Francisco International Airport Station – There was general agreement, especially from supporters of the downtown San Francisco Terminal location, that the station link to San Francisco International Airport (SFO) was a valuable asset to the project. High speed rail was seen as providing an alternative to congested "California Corridor" intrastate air travel. Service to SFO would allow high-speed rail passengers from the Central Valley and other areas to use SFO for international air travel.

The City of San Bruno supported the general concept of a high-speed rail connection to SFO, but it disagreed with the specific proposal for a station on the west side of US 101. They felt that the proposed plan would place a regional high-speed rail station in the well-established ethnically diverse neighborhoods of Lomita Park and Belle Air. Security

for passengers, as well as emergency access for fire and ambulances, were also key concerns. The City of San Bruno requested that the commission directly involve the cities immediately affected by the alignment, and not defer the responsibility to any other organization.

Direct, Mainline Service to San Jose – Representatives from San Jose and the Silicon Valley area felt that direct, mainline service to these areas are essential. They thought it would be a mistake not to have this multi-billion-dollar high-speed rail project running directly through the largest city in Northern California and the world's leading technology center. According to their statistics, Santa Clara's jobs are expected to grow substantially over the next 20 years. By 2015, 17 percent more residents and 26 percent more jobs will be added to the area. They claim a more logical and economical route would continue through San Jose along the existing CalTrain right-of-way to Redwood City.

The Santa Clara Valley Transportation Authority and the mayor of San Jose provided written comment subsequent to the hearing. They clarified that it had not been clear to them from the report that the Commission was recommending direct, no-transfer service to San Jose. Their letters reiterated their support for direct, mainlined service and a minimum of 25 trains per day, as assumed in the operating plan, that allows passengers traveling to or from Southern California to embark or disembark at San Jose without transferring trains. The mayor also expressed the City's support for the Altamont Pass route as long as the report is clarified to reflect that San Jose should receive direct, no-transfer service in the first phase of construction.

Sacramento and the North State – There was strong support for a Sacramento station, but equally strong advocacy for including Sacramento in the first phase of system development. Many thought that the extensions and link to San Jose should be built with the initial project, since they increase ridership 100 percent over the basic system. With the extensions, the system would serve most of the State's population and could increase voter support for the project. Sacramento is the seat of the State of California government and a major transportation hub. Many were also concerned that the extension to Sacramento may not take place even after residents help finance the San Francisco-Los Angeles base system. Consequently, they wanted the project to be sold to the public as an all-or-nothing proposition, instead of a phased approach.

Some concern was expressed that the system does not include the bulk of the North State, which could likely benefit from an increase in industry and convenient travel. While generally supportive of the high-speed rail concept in California, some Northern Californians felt it was unfair to impose a sales or gas tax on a geographic region that will not directly benefit from the service. (Coastal interests echoed this concern.) If high-speed rail is not going to serve the North State, it was suggested that a sales tax be imposed only on the counties served. Overall, they believed that in order to create a more unified California, it would be wise to include an extension from Sacramento to Chico and Redding.

Other topics raised at the San Francisco hearing included compatibility with local transit systems, incremental system development, and the Coastal Corridor. Comments on these topics are discussed following the summary of the Fresno hearing.

Public Comment at the Los Angeles Hearing

Antelope Valley Alignment – There was strong support for an Antelope Valley alignment. According to supporters, population and industrial growth opportunities in the area are increasing at a high rate, while approximately 50,000 people from the area commute to Los Angeles each day. The Antelope Valley is only 20 percent developed and there is plenty of affordable housing to attract future growth. Lockheed Martin is relocating 1,000 aerospace jobs to the Antelope Valley and has won a billion-dollar contract to build an X-33 Reusable Launch Vehicle that will bring 650 direct jobs and 2,000 indirect jobs to the area.

With this contract, supporters claimed that the Antelope Valley will be well-positioned to become the manufacturing, test and launch center for the next-generation space shuttle, eventually creating 10,000 indirect jobs. Rockwell has presented a proposal to NASA for the landing of the space shuttle in Palmdale, as well as the continuation of modification and maintenance work at the Plant 42 Facility in Palmdale. The Antelope Valley is also a state-designated Foreign Trade Zone, which means the area has a commitment to import/export companies. Additionally, the Antelope Valley is one of the three finalists for the two state-designated Enterprise Zones which will offer tax incentives to businesses and industries locating within the area's borders.

According to proponents of an Antelope Valley route, ridership and capital costs for the two potential alignments are not significantly different from Grapevine recommendation. They saw no basis for higher ridership forecasts on the Grapevine alignment, and they argued that Palmdale-to-Los Angeles trips should have been included in the Commission's ridership forecasts as intercity trips.

They believed that the risk-adjusted capital costs for the Antelope Valley alignment will be the same as or even lower than for the Grapevine alternative. The Antelope Valley alignment will require less tunneling and will be able to cross faults at grade. Supporters argued that the Antelope Valley alignment would connect with the Palmdale Airport and allow for possible extensions to other eastern destinations like Las Vegas.

Supporters of this alignment saw a failure to link the fastest growing communities in California to Los Angeles and San Francisco as representing a significant loss in opportunity for the State economy and for high-speed rail. They made the point that California will only get one chance to select and develop an alignment, and it should not bypass some of the fastest growing cities in the nation.

The additional economic benefits to the State created by an Antelope Valley alignment were also a factor that they believed should weigh into the decision. Conservative estimates showed benefits to be at $180 million, while they believed the impact would be closer to $400 million, which would surpass any expected difference in capital costs associated with the two alignments. They sought the Commission's recommendation for an Antelope Valley alignment based on the support and benefits that they demonstrated.

A representative of the Tejon Ranch, the largest landowner in the Tehachapi Mountains, acknowledged that all of the Tehachapi crossings travel through their property to some extent. He suggested that environmental constraints and cultural resources on their land

along the I-5 route would make it more difficult to clear the Grapevine option through the environmental process. He expressed support for an Antelope Valley route.

Los Angeles – San Diego Extension – There was strong support for an extension to San Diego, but some debate over the commission's recommendation of the LOSSAN Railroad Corridor. In talking about the extensions generally, most cited the extensions' increase in ridership of approximately 100 percent above the primary project of Los Angeles to San Francisco, with less than 50 percent of the additional length and substantially less than 50 percent of the additional costs. There was a suggestion to build the system incrementally by using the San Diego extension as a test case to see if high-speed rail was feasible for the whole State.

Many saw obstacles with using the LOSSAN Corridor that include environmental challenges and constraints that may require further examination and consideration. Opportunities for incremental improvements to the LOSSAN Corridor included grade separations, added track capacity, and signal improvements, which can be considered without implementing true high-speed rail. Some suggested that these incremental conventional-rail upgrades would receive greater political support than attempts at electrification.

Others saw the high-speed rail on the LOSSAN route as a threat to existing commuter and Amtrak service on the Corridor, and prefer the I-15 route to San Diego. The I-15 route would access the expanding Ontario Airport which is the fourth busiest in the State. Mitigation of transportation bottlenecks with the I-15 route were additional advantages mentioned by supporters. The Department of Commerce projected substantial economic development along the route in the Inland Empire, with tourist attractions like the Temecula wine-growing region along the route.

There was solidarity between Riverside and San Bernardino officials for an I-15 route. Proponents cited strong active support of the I-15 alignment from elected officials in Riverside and San Bernardino counties, which may make the project easier to implement, and contrast it with lukewarm support or opposition from Orange County and the San Diego County coastal cities.

Other topics raised at the Los Angeles hearing included financing approaches, compatibility with local transit systems, technology, and the Coastal Corridor. Comments on these topics are discussed following the summary of the Fresno hearing.

Public Comment at the Fresno Hearing

Mountain Passes – Most participants in the hearings, and most of the written testimony, supported the use of the Altamont Pass. Most elected officials, government representatives and citizen organizations supported the Commission's recommendation for the Altamont Pass route, which they argued provided better service to the Central Valley as a whole.

Some elected officials supported a Panoche Pass route instead. Proponents of the Panoche Pass route saw linking the Central Valley to the large and growing area of San Jose and Santa Clara County as vitally important. It was their contention that this short

route would facilitate direct trains to both San Francisco and Oakland without requiring a new Dumbarton Rail Bridge.

Service to Merced and Yosemite – Representatives from Merced supported the Commission's proposed use of the Altamont Pass and a route through their county. They offered many reasons why those should remain in the plan, including: (1) Merced is the gateway to Yosemite National Park, which receives thousands of visitors each year; (2) the county will be the future site of the tenth University of California campus and has recently opened an Aviation Discovery Theme Park; and (3) the Merced population is growing at a rapid rate and will benefit from the economic development the high-speed rail system will bring to the area. There were also specific recommendations to locate the station at Castle Air Force Base to provide access to this theme park.

Service to Tulare County – Representatives from the Tulare County area supported the Commission's recommendation to locate a high-speed rail station there. They thought it would provide easy access to Kings Canyon and Sequoia National Parks and offered fiscal support if necessary.

High Speed Freight Service – Many in the Central Valley thought that high-speed rail should serve a dual purpose in moving passengers and freight. Some stakeholders supported the Commission's recommendation that the high-speed rail system accommodate lightweight, high-value, time-sensitive freight.

Others stated that the high-speed rail should be able to move anything now being carried by trucks between Los Angeles and the Bay Area offering service, including piggyback service, overnight or within six hours. This was said to be especially important in the Central Valley where produce and other agricultural products need to move quickly throughout various cities and to airports for overseas shipment.

Downtown Station Locations – Several stakeholders called for downtown station locations in the Central Valley, despite their increased cost when compared with suburban locations. Downtown locations were a significant issue for Bakersfield stakeholders.

Antelope Valley Alignment – There was significant discussion and support at the Fresno Hearing for an Antelope Valley alignment. Most supporters of this alignment believed that it: (1) accommodates a growing population center; (2) provides a link to a future airport in Palmdale; and (3) helps foster growing economic ties between the San Joaquin and Antelope Valleys.

Other supporters of this alignment felt that the proposed I-5 route uses grades which would make the use of freight trains difficult or impossible. The Antelope Valley aqueduct route was cited by some as the best gradient for moving freight and passengers.

Other topics raised at the Fresno hearing included land use and the potential for urban sprawl, technology, and the Coastal Corridor. Comments on these topics are discussed below.

General Public Comment

Certain issues were discussed at all three hearings and transcend the geographic regions in which the hearings were held. These issues are discussed below.

Coastal Service – Representatives from coastal areas at all three hearings thought that the commission should refer to the recently completed *Coast Route Infrastructure Assessment Report* that found incremental improvements on the coast route are immediately feasible and very cost-effective. This report illustrated that there are significant time and cost savings with this option. They did not view the coastal route to be in competition with the Central Valley, but see the route serving a different market. Popular downtown locations in San Francisco and Los Angeles could be accessed today with a pilot project, possibly using tilt-train technology, along this coastal route over existing rail rights-of-way with incremental track and signal upgrades. They believed a coastal project would ultimately build the public support necessary to achieve a high-speed rail project through the Valley.

Coastal interests also pointed out that the Commission's report suggests that some rail corridors currently funded by the State will be replaced by a high-speed rail system. Coastal stakeholders asked that currently available State rail funds should be dedicated to projects with a permanent role, rather than allowing some funds to go to projects that will eventually be replaced by high-speed rail.

General Comments on Technology – The public was generally supportive of the Commission's recommendation on technology. The perception was that there are too many uncertainties surrounding the Maglev technology, and for this reason the cost estimates for implementation may be too low. In addition, there was concern that the technologies are compatible with existing passenger and rail services. However, there was some support for the faster travel-times of Maglev at all three hearings.

Concern was expressed about elevated structures in urban areas. The visual impact of aerial structures was a major concern in some areas, particularly in the San Fernando Valley, where stakeholders pointed out that elevated rail lines have a controversial history. This controversy was cited by one stakeholder as a reason to rethink the report's recommendation that the high-speed rail system be exempted from local review processes.

It was proposed that the commission explore a third-rail technology in urban areas requiring reduced speeds. Others thought it was important that the technology provide for bicycles and automobiles, as well as freight capability.

General Comments on Land Use Issues – At all three hearings, concern was expressed about the potential of high-speed rail to create urban sprawl. Some suggested that Central Valley farmland could be threatened by development induced by high-speed rail. The Sierra Club suggested that locating stations in downtown areas would help reduce suburban sprawl.

Stakeholders also suggested that recent railroad mergers present an opportunity to acquire surplus right-of-way. Others suggested closer cooperation with railroad companies.

General Comments on Compatibility with Local Transit – Throughout the State, many people called for a truly intermodal system. Many asked that the high-speed rail system share track with local commuter rail.

Some suggested relying on local transit systems to cover the urban travel needs and building high-speed rail only to the furthest reaches of the local transit systems. Others suggested building the rural segments of the system first, then constructing the expensive urban upgrades later. There were many comments seeking closer examination of the benefits of an incrementally developed high-speed rail system.

The Southern California Regional Rail Authority shared its view that the Commission's report suggests that the high-speed rail system will be grade-separated, while parallel commuter and freight rail operations will not be. They expressed a strong desire to grade-separate all rail services at the same time.

General Comments on Financing – Stakeholders generally agreed that with public support, the high-speed rail project is financially feasible. However, several cautioned that financing is the biggest obstacle to development of the system. The significant involvement of the private sector was seen as critical by some. Others asked the Commission to consider a larger role for the federal government. It was suggested that the Northeast Corridor receive significant federal support. Others suggested that funding be sought through the upcoming reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA). One stakeholder suggested that the Commission examine the use of Taxpayer Retirement Accounts (TRAs), in which taxpayers invest their money, on a tax-deferred basis, in the State's high-speed rail system, just as Individual Retirement Account money is currently invested in stocks, bonds, and mutual funds. However, investments in the TRA would be required for all State taxpayers.

Other stakeholders felt that it was important that areas of the State that do not benefit from the system are not taxed for its construction. Senator Diane Watson expressed another concern, echoed more generally by others, that funds for high-speed rail not come from sources that currently fund local transit projects, specifically the Crenshaw-Prairie Transportation Corridor in Senator Watson's district. Some felt that this issue was a reason to focus high-speed rail financing on gas taxes rather than sales taxes, since sales taxes are currently used for local transit projects. Others preferred gas taxes because they offer a disincentive to the use of automobiles. However, others cautioned that gas taxes are an unstable funding source.

Separately, Southern California Edison offered to assist with the funding of a study that would examine ways to reduce the cost of system electrification.

Conclusion to Public Hearing Comments

Overall, the public was supportive at all three hearings of the concept of implementing a high-speed rail system in California. Many praised the work of the Commission and the thoughtful studies it has produced.

Many public suggestions had significant influence on the Commission's decisions. As a result of comment received during the public hearing process, the Commission made several changes to its recommendations:

- The Commission made a conditional recommendation for the Antelope Valley alignment, altering its previous preference for the I-5 Grapevine alignment over the Tehachapi mountains in Southern California.

- The Commission clarified language to ensure direct, frequent, no-transfer service to San Jose in the first phase of implementation.

- The Commission recommended an inland alignment to San Diego. It had originally preferred a coastal route.

- The Commission clarified language recommending that the system serving San Diego, Los Angeles, San Francisco, San Jose, and Sacramento and the requisite financing package be presented to voters in their entirety.

- The Commission modified their language regarding freight operations to state that operating revenue will be maximized by providing additional service by carrying freight that is compatible with the requirements of high-speed passenger rail service.

The high-speed rail project clearly captured the interest of elected officials, government representatives, business, and the general public. The extensive participation of elected officials in the hearings demonstrated the growing political significance of high-speed rail. A more detailed public participation summary report is on file and can be obtained from the High Speed Rail Commission.